

VZCZCXRO3266
RR RUEHBC RUEHDE RUEHDH RUEHIHL RUEHKUK
DE RUEHGB #2312/01 2400934
ZNY CCCCC ZZH
R 280934Z AUG 09
FM AMEMBASSY BAGHDAD
TO RUEHC/SECSTATE WASHDC 4478
INFO RUCNRAQ/IRAQ COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 002312

SIPDIS

E.O. 12958: DECL: 08/25/2019
TAGS: [PGOV](#) [KCOR](#) [KDEM](#) [IZ](#)
SUBJECT: UPDATE ON ANTI-CORRUPTION EFFORTS IN IRAQ

REF: A. BAGHDAD 1635
[1](#)B. BAGHDAD 1990

Classified By: ACCO Joseph Stafford, reason 1.4 (b and d)

SUMMARY

[1](#)1. (C) The Kurdistan Regional Government's (KRG) "good governance and transparency strategy" is a welcome initiative -- if vigorously implemented -- that contains an array of action items, ranging from the creation of an "Executive Office of Governance and Integrity" to reform of the civil service and procurement operations. UN officials working with GOI anti-corruption officials on a new anti-corruption strategy report that it is close to being finalized, predicting its release in the fall. Former Trade Minister Abdel Falah Al-Sudani will be tried on corruption charges in Baghdad's Central Criminal Court, according to Iraqi's top judge, Higher Judicial Council head Judge Medhat Mahmoud. An advisor to the Minister of State for Tourism and Antiquities complained at length of corruption surrounding "religious tourism," e.g., pilgrimages to shrines here by Iranian Shias.
END SUMMARY.

GOOD GOVERNANCE AND TRANSPARENCY INITIATIVE BY KRG

[1](#)2. (SBU) Ref A reported U.S. firm Price Waterhouse Coopers' (PWC) June 17 presentation to the Kurdistan Regional Government (KRG) of the results of the "good governance assessment" that the KRG had commissioned PWC to undertake. The assessment served as the basis for a "good governance and transparency strategy" subsequently announced at a televised ceremony by KRG Prime Minister Nechirvan Barzani himself, on July 12. While we understand that the KRG has yet to publicize either the assessment results or the full strategy, it has released an executive summary containing highlights of the strategy. The executive summary characterizes the KRG's strategy as designed to "make our government more open, efficient, and accountable and to ensure that public funds are used for their intended purposes." The document sets forth predictable "principles" underlying the strategy: "the KRG is founded on the principle of the rule of law," "public service is a public trust," government functions shall be open and transparent," and "public funds must always be used for their intended purposes."

[1](#)3. (SBU) The executive summary goes on to list an array of specific action items, among them, the creation of an "Executive Office of Governance and Integrity," provision of governance-related training to all KRG officials, and reform of the civil service as well as the KRG's procurement operations. In an allusion to Kurdistan's emerging oil sector, the document stipulates the KRG's adherence to the principles of an international initiative, the Extractive Industries Transparency Initiative (EITI). (COMMENT: As noted in Ref A, the KRG's reaching out to PWC for assistance in devising a strategy to improve its performance on governance is welcome -- as is the fact that the KRG itself covered the cost of PWC's services, rather than expecting foreign donors

to do so. On the anti-corruption front in particular, the KRG's initiative doubtlessly reflects KRG leaders' awareness that Kurdistan does not have branch offices of the national institutions to combat corruption found elsewhere in Iraq -- the Commission on Integrity, corps of Inspectors General, and Board of Supreme Audit (BSA) -- and must do more to develop an anti-corruption regime. The KRG does have its own version of the BSA, which we believe is seeking training, equipment, and guidance from the BSA in Baghdad. As for next steps on the strategy, to our knowledge, the KRG has yet to announce when actual implementation will begin. The project has some shortcomings, particularly not having the anti-corruption body independent of the executive. Until the KRG shows it is serious about vigorously implementing an anti-corruption strategy, the jury will be out on whether the announcement was pre-election posturing or a meaningful attempt to rein in endemic corruption in the Kurdistan region. Although the project was a personal priority of outgoing Prime Minister Barzani, incoming Prime Minister Barham Salik is expected to continue with its implementation. END COMMENT)

STATUS OF THE GOI'S ANTI-CORRUPTION STRATEGY

14. (SBU) UN officials recently provided ACCO with an update on their work with Iraqi anti-corruption officials, under an ACCO-financed project, to finalize a new national anti-corruption strategy to replace the 18-point plan issued by the GOI in January 2008. The officials reported completion of the "gap analysis" portion of the project, involving an assessment of areas where Iraq's existing anti-corruption regime falls short of the requirements under

BAGHDAD 00002312 002 OF 002

the United Nations Convention against Corruption (UNCAC). The assessment was conducted by working groups composed of Inspectors General (IGs), Commission on Integrity (COI) reps, and other Iraqi officials under UN experts' oversight. We were told that the gaps identified by the working groups and ways of addressing them have now been factored into the new anti-corruption strategy and that it is now close to being finalized. (COMMENT: Subsequent to our discussion with the UN officials, they provided us with a copy of the draft strategy; it is a 295-page document that describes in extensive detail the areas (e.g., in the legal structure, performance of anti-corruption institutions, etc.) where shortcomings must be remedied in order to achieve compliance with UNCAC. END COMMENT) The UN officials predicted that the GOI would finalize and unveil the new strategy in the fall. END COMMENT)

PENDING TRIAL OF EX-TRADE MINISTER

15. (C) Ref B reports the announcement by the Prime Minister's office that the case of former Trade Minister Abdel Falah Al-Sudani, facing corruption charges, would be forwarded to the judiciary for prosecution. The announcement followed a decision by the Council of Ministers that a controversial provision of the Iraqi Criminal Procedure Code, 136(b), could not be invoked to block Al-Sudani's prosecution, as he was now a former GOI employee and hence not covered by this provision. (NOTE: 136(b) authorizes Ministers -- including the Prime Minister -- to block the prosecution of their employees for corruption and other crimes committed in the course of performing their official duties. END NOTE) In the latest development in the case, the head of the Higher Judicial Council, Judge Medhat Mahmoud, informed us that the former Minister will be tried in Baghdad, by the Central Criminal Court (mandated to handle terrorism and corruption cases) rather than by the regular courts in Muthanna province, where the case originated and where the other senior Trade Ministry officials implicated in the case will be tried. He did not indicate when Al-Sudani's trial would begin. According to Judge Medhat, unspecified "political

issues" surrounding the former Minister's trial required the shift in venue.(COMMENT: The nature of these "political issues" is not clear, but some sources claim that the Prime Minister actually engineered the change in venue for Al-Sudani in an attempt to influence the trial proceedings in Al-Sudani's favor. Judge Medhat left the impression that Al-Sudani would indeed face trial. Regardless of the trial's outcome, the fact that so senior a figure is to be brought before the court is unprecedented, to our knowledge, and sends a positive signal regarding accountability for even top-echelon officials. END COMMENT)

MINISTERIAL ADVISOR COMPLAINS OF CORRUPTION

16. (C) In a recent discussion with ACCO, Bahaa Mayah, advisor to the Minister of State for Tourism and Antiquities and Embassy contact, lamented what he saw as widespread corruption in Iraq's religious tourism sector and claimed that the GOI, including his own Ministry, was deeply involved in the corrupt practices. To illustrate, he spoke of senior GOI officials establishing private companies to arrange for pilgrimages to Iraq's shrines by Shia and then using the influence of their official positions to prevent other companies from competing for the pilgrimage business. He also alleged that the corruption extended to the overarching agreement between Baghdad and Tehran regulating Iranian Qagreement between Baghdad and Tehran regulating Iranian pilgrimage arrangements in Iraq, saying corrupt officials on both sides kept out companies that might over better service at lower cost for the pilgrims. Mayah claimed that he had spoken out against corruption surrounding religious tourism in a local television program and, as a result, was now being shunned by his Minister, Qabtan Jabburi. (COMMENT: Mayah stopped short of claiming that his Minister was personally involved in corrupt practices. END COMMENT) Mayah concluded by asserting that he had become so fed up with the corruption that he had witnessed in his current position, coupled with the Minister's isolating him, that he felt compelled to seek a GOI position elsewhere and had applied for a job at the Foreign Ministry.

HILL